

Message Text

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ACTION EB-07

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C O N F I D E N T I A L PANAMA 4677

E.O. 11652: GDS

TAGS: EFIN, MASS, PN

SUBJECT: LATIN AMERICAN MILITARY MISSION DEBT ARRERAGES - PANAMA

REF: (A) STATE 136243, (B) COMUSMILGP PANAMA MSG DTG 111430Z,
AUG 75, (C) COMUSMILGP PANAMA MSG DTG 131652Z, DEC 72

1. BACKUP MATERIAL FOR REF A INDICATES DEBT ARREARAGE FOR PANAMA ATTRIBUTABLE TO ARMY PCS AND RELATED EXPENSES OF \$7,280.64, AND UNKNOWN AMOUNTS ATTRIBUTABLE TO AIR FORCE PCS AND TO ARMY AND AIR FORCE COMPENSATION. EMBASSY AND USMILGP HAVE CONDUCTED THOROUGH REVIEW OF RECORDS ON THIS MATTER WITH FOLLOWING RESULTS.

2. REGARDING ARMY PCS AND RELATED EXPENSES, OUR UNDERSTANDING IS THAT BILLINGS FOR SPECIFIC AMOUNTS ARE RENDERED BY ARMY COMPTROLLER TO ATTACHE OF PANAMANIAN EMBASSY IN WASHINGTON; NEITHER EMBASSY NOR MILGP IS KEPT APPRISED OF WHETHER BILLS ARE RENDERED NOR OF WHETHER OR NOT THEY HAVE BEEN PAID. TO BEST OF OUR KNOWLEDGE, EMBASSY HAS NEVER BEEN REQUESTED TO INTERVENE DIPLOMATICALLY TO OBTAIN PAYMENT OF ANY OUTSTANDING AMOUNTS, NOR HAS MILGP EVER BEEN REQUESTED TO RAISE MATTER WITH MILITARY AUTHORITIES. SUGGEST THAT ONLY VALID VERIFICATION OF WHETHER OR NOT

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BILLS WERE RENDERED AND PAYMENT RECEIVED CAN BE OBTAINED

FROM ARMY COMPTROLLER IN WASHINGTON.

3. REGARDING OTHER (UNKNOWN) AMOUNTS, AS EXPLORED REFS B AND C, NEITHER EMBASSY NOR MILGP HAVE EVER RENDERED BILLS TO PANAMANIAN AUTHORITIES, NOR ARE WE AWARE OF ANY BILL WHICH MAY HAVE BEEN RENDERED IN WASHINGTON. REVIEW OF SUBJECT BY MILGP IN 1975 (REF B) DETERMINED THAT BILLINGS WERE APPARENTLY NEVER EFFECTED UNDER 1959 MANSFIELD AMENDMENT, NOR HAD COMPENSATION BEEN RECEIVED SINCE 1959.

4. AS NOTED REF C, ONE CONTRIBUTING FACTOR IN THIS IS FACT THAT CURRENT MILITARY MISSION AGREEMENT IS THOROUGHLY OBSOLETE, HAVING BEEN DRAWN IN 1942 TO ACCOMMODATE ONE VETERINARIAN, SUBSEQUENTLY MODIFIED, AND NOW APPLIED IN 1976 TO AN 11-MAN, TRI-SERVICE MISSION--WITHOUT THE VETERINARY ADVISER, WHO WAS STRUCK SEVERAL YEARS AGO. WE HAVE NOTED IN PAST THAT ONGOING NEGOTIATIONS BETWEEN US AND PANAMA FOR A NEW CANAL TREATY, PARTICULARLY IN ITS DEFENSE-RELATED ASPECTS, HAVE MADE IT INOPPORTUNE TO SEEK REVISION OF MILITARY MISSION AGREEMENT UNTIL THIS COULD BE DONE IN CONTEXT OF A NEW OVERALL TREATY RELATIONSHIP. THIS CONTINUES TO BE OUR JUDGEMENT.

5. WE STRONGLY CONSIDER THAT IT WOULD NOT BE TIMELY, AND COULD CAUSE SERIOUS PROBLEMS, IF WE WERE TO SEEK TO ASCERTAIN PANAMANIAN VIEWS, ON EITHER DIPLOMATIC OR MILITARY LEVEL, REGARDING MILITARY MISSION DEBTS. IN ALL OUR DISCUSSIONS WITH PANAMA, ONE FUNDAMENTAL POINT HAS BEEN THAT IT IS STRONGLY IN THE INTEREST OF BOTH OUR COUNTRIES TO CONSTRUCT AN ENDURING PARTNERSHIP BETWEEN OUR MILITARY FORCES FOR THE DEFENSE OF THE PANAMA CANAL. THE PANAMANIAN NATIONAL GUARD IS RECEPTIVE TO SUCH A PARTNERSHIP IN THE LONG RUN, BUT STILL RETAINS SOME DEEP-SEATED SUSPICIONS AS TO WHETHER WE MAY YET SEEK TO REVERT TO WHAT THEY PERCEIVE AS OUR OLD, PATERNALISTIC WAYS. THEY WILL RETAIN SUCH SUSPICIONS AT LEAST UNTIL THE PARTNERSHIP CONCEPT IS SOLIDIFIED THROUGH INCORPORATION IN A NEW TREATY, CONFIDENTIAL

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AND PROBABLY UNTIL THEY OBSERVE OUR ACTUAL PERFORMANCE THEREAFTER. EFFORTS TO CREATE AN ATMOSPHERE WHEREIN SUCH A PARTNERSHIP WILL BE FEASIBLE WOULD BE SOMEWHAT POISONED, AND THESE SUSPICIONS OF OUR LONG-RUN INTENTIONS REINFORCED, WERE TO SEEK TO DISCUSS MEANS WHEREBY THE GOP MIGHT PAY FOR THE LIMITED DEGREE OF "PARTNERSHIP" THEY HAVE HERETOFORE ENJOYED WITH THE MILGP.

6. THIS, OUR JUDGEMENT IS THAT THE BEST THING TO DO
IN "RESOLVING" THIS MATTER FOR PANAMA, IN OUR OVERALL
BEST INTERESTS, IS NOTHING--AT LEAST UNTIL THE NEW
CANAL TREATY IS RATIFIED AND IN FORCE. EVEN THEN, GOP
WOULD PROBABLY BE JUSTIFIED IN ASSUMING THAT OUR LACK
OF BILLING AND REQUEST FOR PAYMENT FOR MANY YEARS
CONSTITUTES EVIDENCE OF OUR LACK OF INTEREST IN THE
ITEMS OF "UNKNOWN" AMOUNT. EVEN MORE IMPORTANTLY, FACT
THAT US AND PANAMANIAN INTERESTS IN AN ACTIVE US MILITARY
PRESENCE HERE, AND A CLOSE ASSOCIATION WITH THE PANAMANIAN
MILITARY, ARE MUTUAL--AND WE ARE URGING GOP TO SEE THEM AS
SUCH--SUGGESTS THAT GOP WOULD TAKE A DISCUSSION OF PAYING
FOR MILGP AS EVIDENCE THAT WE WANT THEM TO PAY FOR
SOMETHING AS MUCH IN OUR INTEREST AS THEIRS. ACCORD-
INGLY, WE SUGGEST STRONGLY THAT, IN RECOGNITION OF
THIS FACT, NO EFFORT BE MADE TO PURSUE THIS MATTER
FURTHER WITH GOP.
JORDEN

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